Boom in share market

704. SHRI NILOTPAL BASU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the share market is booming due to heavy buying by Foreign Institutional Investors;

(b) if so, the details thereof;

(c) whether Government have analysed the reasons for this buying spree by the FIIs; and

(d) whether the buying spree is due to the appreciated value of the rupee or due to other reasons together with the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) According to the information available from the Securities and Exchange Board of India (SEBI), FIIs have been net buyers in the current financial year with a net investment of Rs. 28917 crores, upto November 28, 2003.

However, a study of FII equity turnover *vis-a-vis* corresponding market turnover in the cash segment for the current year indicates that FII turnover as a percentage of corresponding market turnover is within 4.2% to 6.5%. This indicates that increase in market activity cannot be attributed to FIIs only.

According to SEBI and other experts the increasing flow of foreign institutional investors (FIIs) investments in Indian markets over the last six months could be attributable to factors like the overall improvement in the global economy and liquidity, anticipated better GDP growth, good corporate earnings, low interest rates and improvement in Indian market infrastructure.

Financial disclosure of public offerings

705. PROF. M. SANKARALINGAM: Will the Minister of FINANCE be pleased to state:

(a) the steps taken by Government to improve financial disclosures and proceeds of public offerings; and

(b) what has been the outcome of such steps?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) The information is being collected and will be laid on the Table of the House to the extent available.